

Social Media for the supply chain

“Supply chains’ are really networks in which parties must interact effectively and efficiently to create value that customers are willing to pay for,” said **Calum Lewis, LEGO**, as he opened the April LiSC UK event. “Businesses have, to date, looked to social media for marketing and service communications, but now many companies are starting to implement social networks to promote collaboration amongst their employees and their suppliers.”

Social Supply Chain Management

“We are seeing more and more businesses employing social media,” said **Richard Professor Wilding OBE, Cranfield School of Management**, “although some are better than others!” He continued “There are a number of platforms that businesses are embracing for external communication, but increasingly we are seeing closed social media groups for internal communication with employees and externally with suppliers, etc. But how else can business use social media? We need to consider the whole commercial environment - why are we doing it?” observed Richard, “Is it because everyone else is doing it? Or because we are looking to drive down cost or create value?”

“Social Supply Chain Management seeks to incorporate the social network, social interactions and social data to enhance relationship management with all stakeholders in order to maximise value in the final market place at less cost to the supply chain as a whole.”

Professor Richard Wilding OBE 2014

Email Is Dead, Long Live Communication

“Before the advent of social media, business would generally manage communication using email,” noted Richard, “Yet as we see more and

more emails being marked high importance, how are you supposed to prioritise? Using social media allows the important issues to rise to the top.”

“In fact,” commented Richard, “the social media platform Yammer suggests by using an Enterprise Social Network a business can achieve 76% more **visibility** into other parts of the business and a 37% increase in **project collaboration**. 93% of business leaders agree Enterprise Social tools **stimulate innovation** within their business.” He challenged the group “How many of your company systems actually prevent access to social media platforms? This is a KEY area that you should be considering!”

Components of Customer Value

“Businesses need to start the transition to using social media by establishing what they are looking to get from the use of social media. How can its use enhance the product and service attributes for customers? How can social media reduce transaction cost, life cycle costs and risk in the supply chain?” advised Richard. “When adding value for customers a business must consider all elements of the customer journey: pre-transaction, transaction and post-transaction. If we consider the deliver process to a customer’s house, business could consider pre-delivery Tweets to advise progress, potential delays, shipping advice, returns process, etc. which can in turn reduce the amount of communication driven by the customer and therefore improve customer satisfaction.”

“In 2015, ‘DPD Predict’ software won the Queen’s Award for Innovation, which enables customers to track the progress of their parcel delivery. This level of tracking is rapidly becoming standard expectations by customers across all carriers” noted Richard.

Message from the Chairmen

Revisiting an earlier subject, at our April event we had the opportunity to see how the use of social media in business has developed significantly over the last 12 months. Many delegates were indeed surprised to hear that email was now “dead”, and is being replaced by social media in business of all sizes. Having a strategy to achieve this is so important, especially if we aren’t just going to replace the tsunami of emails with social media content!

Our calendar for 2015-16 is taking shape, and we hope to have an announcement very soon about our 6th October event – keep an eye on your inbox for more news soon!

Please contact us through Twitter @liscuk or email info@liscuk.org.uk if you have any suggestions for the group, if you would like to present a case study at a forthcoming event or if you know someone who should be invited to join.

We hope you have an enjoyable summer and look forward to seeing you in the Autumn.

Calum Lewis & Richard Wilding OBE
Co-Chairmen, Leaders in Supply Chain UK

Using Social to Sense Demand

"Social Media and the Internet of Things (IoT) are giving us the ability to forecast demand like never before," explained Richard. "We now have nappies that send a Tweet when baby is wet; after a certain number of Tweets new nappies will be ordered and delivered to the home automatically! It's ultimate demand sensing!"



Social Media and the Supply Chain

"The younger generation generally looks in four main places for its information: Wikipedia, Google, LinkedIn and YouTube," shared **Dominic McGough, enVista EMEA**, "apparently if it's on the net it's true!" he joked. "The younger generation just don't do email any longer," he continued, "and platforms such as Twitter are considered passé. What does this mean for the supply chain?"

"Obviously the use of Social Media can have huge benefits for business" observed Dominic, "but if it's badly managed it can be very damaging. For example, businesses that don't have the ability to respond to social media 24/7 can find themselves with an issue 'going viral' and once that happens it can be very difficult to minimise the fallout and regain control; bad ratings on Trip Advisor need to be resolved straight away or the damage to the Brand can be crippling. The old adage 'all publicity is good publicity' simply no longer applies."

Social Media in Action

"The use of social media is expanding rapidly in business," observed Dominic, "but there is a problem of integrating across the various platforms, which leads to issues of trying to do a job with software that's not necessarily designed for the purpose. There can also be unforeseen consequences of using social media to communicate, for example parcels companies wishing to provide delivery tracking information will have to increase the level of scanning they have to track parcels – which costs money. However there are some good uses of social media that can improve efficiency and save money, such as posting instructional videos and customer service support on YouTube."

"The US Red Cross has a social media team that are posting Tweets 24/7" explained Dominic, "which is a cost to the Charity but it's necessary; bad press has been shown to have a detrimental effect on donations so the charity recognises the need for a 24 hour monitoring system."

Dominic went on to comment on the rapidly changing social media environment, "Business must have a social media team that operates over multiple platforms to ensure all bases are covered. Whatever social media platform the next generation is using in 6-9 months' time, there will be a business application for it, so it's important that business keeps up with developments."

diary dates

LiSC UK event dates 2015 / 2016

Tues 6 October 2015

Fri 4 December 2015

Tues 9 February 2016

Multimodal 2016 - date TBC

Tues 4 October 2016

Fri 2 December 2016 - date TBC

Experience of Using Social Media in Supply Chain Management

Looking back to his former role of Head of Supply Chain Strategy at Telefonica (O2), **Paul Kelly** commented "Sometimes it's not necessarily about how harnessing the benefits of Social Media, but rather the need to participate just to keep up with the competition. Getting phones to customers is heavily supply driven, especially in a multichannel environment. There is a huge emphasis on aftersales service; more than 50% of the logistics spend can be in this area."

"At Telefonica we wanted to make the company more and digital and more digitally aware" explained Paul, "we wanted to explore the use of social media as we recognised that any insight on demand and device performance would be very valuable to the business. The devices and platforms our customers use and, critically, how they use them and what issues they might have, is important data for us."

Social Media Teams

We started our journey from a good position – we already has a social media team who could interact with customers and process the requirements we had, for the supply chain team they were a 'black box' operation" said Paul. "The social media team use all the data collated to, ensure that they are driving the right behaviours across the business and to support the functions such as supply chain. One of their roles is to provide insight into customer sentiment about, for example, brand, products, service, etc. which the business can then use to inform commercial decisions."

Paul elaborated; "By monitoring social media we were able to collate demand indicators used to inform forecasting for NPI, information on product performance and on service issues. With this better understanding we were able to be much more proactive with our customers and suppliers. Using social media as a customer service tool gave us a seamless and speedy internal process to look after our customers. We had the ability to put out messages to all social media platforms as well as to individual customers for example posting YouTube videos showing customers how to operate devices or fix problems, which meant customers did not have visit stores to resolve issues. Social media was also used to carry out research into what customers wanted in terms of deliveries, for example Next Day, etc."

"When you see what happens online in just 60 seconds" explained Paul (see diagram overleaf), "you can see why it requires significant focus."

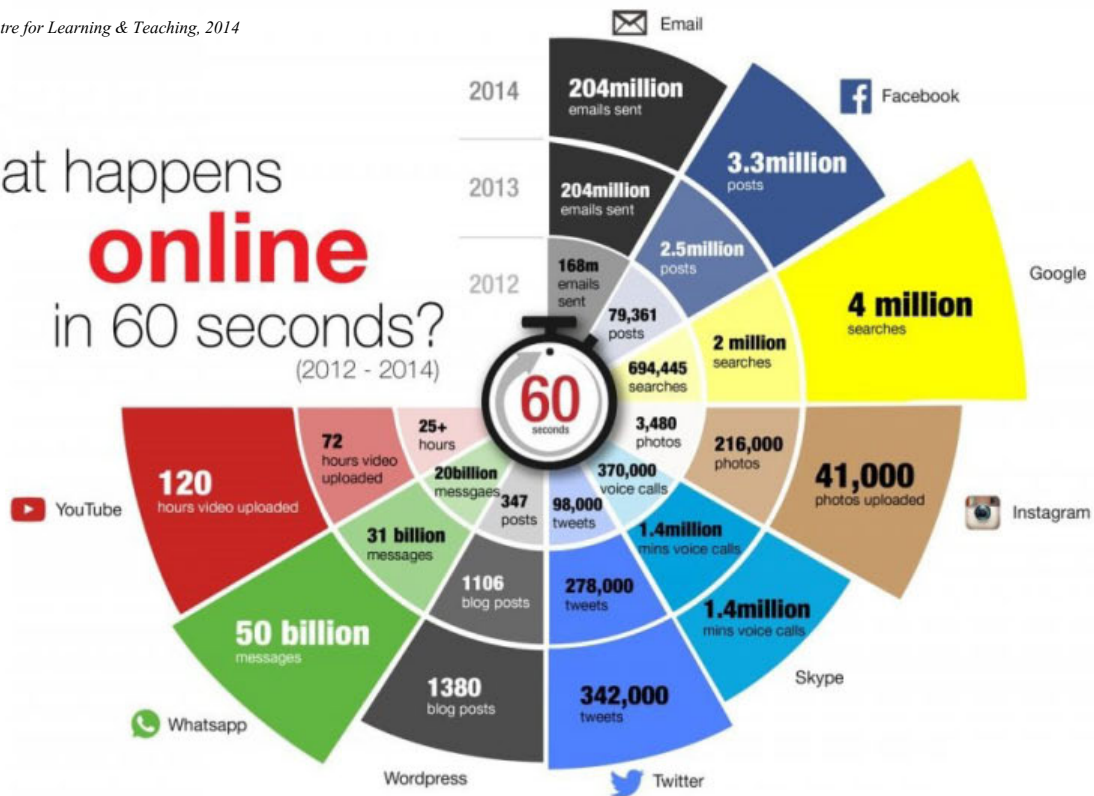
Following the engrossing presentations, Calum opened the floor to delegate questions ahead of the breakout discussions.

"One thing to remember when implementing a social media strategy," cautioned **Richard Wilding**, "is that your business processes must work with your social media. I recently had cause for complaint with a very large UK brand. Having exhausted the usual customer service channels I turned to Twitter, only to find out that I was doing nothing more than interacting with their existing manual customer service processes through a social media front end! How frustrating!"

Paul Kelly agreed, "It is actually really hard to engage effectively with customers via social media – a whole new skill set is required; it's a specialised field and was treated as such. At Telefonica we chose to not have customers and supply chain talking directly with each other via social media, instead all communication went through the 'social media filter'. This meant we could resolve issues quickly in short, appropriate messages."

Dave Food, Prophetic Technology observed "Business must remember this is a permanent and visible conversation."

What happens online in 60 seconds? (2012 - 2014)



Peter Loudon, Duddle commented “With social media it’s like you’re on stage – you might be having a one-to-one conversation, but a million people could be watching. Using the most fitting tone, language and humour is vital.”

Simon Phillips, Boots challenged the group “Are we trying too hard to control our use of social media? I have in excess of 6,000 colleagues who I trust to deal with customers every day, why should I stop them doing the same on social media? Very often when a customer leaves negative feedback it satisfied customers that leap to our defence with an opposing view and redress the balance!” Richard concurred “This was an approach taken by L’Oreal and, to my knowledge, there haven’t been any disasters!”

Keith Newton, CILT International, cautioned “My fear is that, if we don’t go into the world of social media with our eyes open, we are in danger of repeating the issues we now have with email, i.e. no control, nor rules, no discipline. We need structure to keep control.”

Anna Koslowska, Myway Enterprises, summed up the general mood “If your customers are using social media and you don’t embrace it, then they’ll still post about you, you just won’t be aware of it! At the very least you must monitor social media activity that could affect your business and your brand.”

Breakout Groups

All the breakout groups were asked to consider: ‘**Does social media increase the importance of SCM? Often the only physical contact a customer might have with your company is a delivery and they may talk about the product and the delivery experience on social media. Does it make SCM more important in terms of contribution to brand image?**’

It was suggested that the exposure to e-commerce has indeed increased the profile of the supply chain in business; business is now more transparent, lead time compression has exposed supply chain failings and the momentum created by online discussions has increased pressure to get the supply chain right.

It was believed that supply chain management is generally increasing in importance as it touches the customer and the brand; the significance of online shopping a home delivery has fuelled this. In hand with this the customer expectation has also changed – they are now more confident to embrace technology and, their experience of ‘best in class’ such as DPD’s tracking tools, has raised their expectations. Customers are more accepting of failure but not when the resolution of that failure is poor.

The **first group**, facilitated by **Chris Markey, Chris Markey Associates** considered how supply chain professionals can utilise social media to enhance value and reduce costs. Providing the group’s feedback, **Anna Koslowska** stated “Supply chains work because of communication; social media provides real-time communication, so improvements here will undoubtedly have significant benefit. Such communication drives innovation and positively influences decision making across the business.” The group was very passionate about the positive impact social media has on collaboration, self-education and innovation. The fact that social media is available to anyone who wants to participate means that anyone can participate bring ideas to the table for value enhancement and cost reduction across the business. It’s a fact that the next generation are already embracing this approach to communication and in the future business will ‘just do it!’

The **second group**, facilitated by **Les Beaumont, Cadence Management Consulting** considered what could be the impact of social media on skills and capabilities for people working across the supply chain – what kind of people do you need in your SC organisation?

Les commented “If we take the Telefonica social media model it is obvious the team will need a particular skills set, including technical skills, which current customer service staff may not have or require. Getting the tone of communication is fundamental, yet is very hard to get right. There also needs to be consideration to the actual words used too – if business uses the wrong words or type of engagement on social media – perhaps inadvertently offending people on the grounds of gender, race, religion, etc. then this could be fatal for a brand. (See “The Evolution of the Employee” overleaf)



The **third group**, facilitated by **Keith Newton, CILT International**, looked at the suggestion the social media phenomena has so far been driven by people-to-people(s) and B2C interactions but not B2B – as information becomes more open will there be a B2B impact or opportunity? Simon Phillips, Boots, spoke for the group: “If we assume the use of social media increases our service levels then the integration into B2B becomes B2C; ‘bad’ costs will fall from the supply chain and there will be an immediate positive impact. If we can distil the data we get from social media into useful, meaningful information on which to build supply chain relationships, then it is possible we will change our decisions about how we do business and who with.”

Conclusions

Les Beaumont asked “For an early adopter in the field of social media, is there a strategy once should adopt, for example which platforms should you use?” **Paul Kelly** replied “It’s important to not be too prescriptive, as a business you are working and interacting in different ways, across many platforms . At Telefonica a large percentage of our customer base are using social media, so we didn’t really have a choice. What we chose to do was embrace the technology and continually monitored platform usage and which customers used which platforms for which reasons. It was this detailed understanding that helped us to gain maximum benefit from the technology.”

Richard Wilding agreed “As we’ve seen from the issues of email, people don’t interact in a linear way, they move across multiple platforms but they expect integration across those platforms.”

Dominic McGough concluded “Business needs a presence on all social media platforms in which their customers and suppliers operate, and their messages need to be short or they won’t be read. It’s a whole new world for most business, but it’s not a choice, it’s where business needs to be.”

Calum Lewis closed the event thanking the speakers and delegates for their contribution to this important subject.

LiSC Member Offers



More and more consumers expect free delivery. They want it now. They demand a choice of delivery and collection options. And free returns. But is this what your customers want?

Increasing and seemingly insatiable demands are being fuelled by events like Black Friday and there is a danger that high profile casualties the industry has already seen could be just the tip of the iceberg.

Consumer insight is crucial to this, with the need to cut through hype and really understand what customers want – but that is easier said than done.

Senior figures from retail and beyond will gather for the annual Omni-Channel Conference on **16th and 17th September 2015** in central London, UK, to discuss the issues key to the future of the industry.

End-user members of LiSC can enjoy **50% discount** from standard rates—to book your place, please visit:

www.omnichannelconference.co.uk/lisc/



Members of LiSC can enjoy a **20% discount** on the delegate fee for the 6th Global Supply Chain ‘thought leadership’ Summit, to be held in Athens 29-30 September 2015.

To book your place please visit www.2015gscs.com and register using the code **Athens20**.



In today’s ever more connected and demanding world, your operations have to be not only watertight and responsive, but able to adapt to increasing complexity and future challenges. How can you ensure you stay ahead of the game?

Taking place on **Wednesday 7th and Thursday 8th October 2015** in Amsterdam, The Netherlands, *Supply Chain Standard’s* European Logistics & Supply Chain Conference provides breakthrough content from inspirational practitioners and unique networking opportunities for supply chain executives who simply have to have the latest information, insight and examples of best practice.

End-user members of LiSC can enjoy **50% discount** from standard rates—to book your place, please visit:

www.europeanlogisticsandsupplychainconference.co.uk/lisc



LiSC UK is an independent, invitation only network of leading practitioners helping to shape the future of the supply chain profession.

To maximise effectiveness there is a careful balance between retailers, manufacturers, academics, consultants, IT providers, third party logistics providers and government; to ensure this balance, the numbers in each category are strictly controlled and managed. The overall membership is limited and restricted to those professional logisticians holding a director-level appointment or who are very senior logisticians in a large organisation and are passionate about the supply chain and its role in business and sustainable economic development. Membership invitations are first approved by the LiSC UK Executive Committee.

The group meets four times per year to debate current issues, with themes and topics suggested by members.

For more information contact info@liscuk.org.uk or go to www.liscuk.org.uk